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## Section 8

# STATE AND FEDERAL WATER RESOURCES FUNDING PROGRAMS

This section discusses funding programs available for planning and development of water resources in the Bear River Basin. Cost-sharing considerations are also reviewed.

### 8.1 INTRODUCTION

Section 8 of the State Water Plan identifies current sources of funding for water resource activities. The program purpose and the responsible agency for each are also described. Most of the programs are uniformly available throughout the state. For convenient reference, Table 8-1, a table of state funding programs, and Table 8-2, a corresponding table of federal funding programs that apply to the Bear River Basin, are included in this section.

Much of the early funding for water resource planning and development in the Bear River Basin has been private for single-purpose projects such as hydropower, irrigation, and municipal supply. Since about 1970, however, significant amounts of public funding have been expended in the basin, especially for municipal water supply improvement and wastewater treatment.

### 8.2 SETTING

Funding for water developments in the Bear River Basin has been from a wide range of sources, both public and private. Public funding has been both state and federal.

For many years, the Board of Water Resources has been extensively involved in the planning and development of water resources in the Bear River Basin. Through financial assistance by the board and other entities, and with design and construction support from the Division of Water Resources, two major and two smaller water storage dams have been built. In addition, 10 gravity irrigation systems have been converted to sprinklers or otherwise improved, approximately 28 irrigation conveyance systems have been improved, and 41 community drinking water systems have been enlarged or upgraded. The two major storage dams are Woodruff Narrows on the Bear River near the Utah-Wyoming state line, and Porcupine, on the East Fork of Little Bear River near Paradise, Utah. The first dam mentioned is operated and maintained by the



Porcupine Reservoir - Div. of Water Resources

**TABLE 8-1**  
**STATE OF UTAH FUNDING PROGRAMS**

Administering Entity and Program	Type of Funds	Purposes	Agency Contact
<b>Board of Water Resources</b>			
Revolving Construction Fund	Loans	Small irrigation and culinary projects	Division of Water Resources
Cities Water Loan Fund	Loans	Municipal culinary water systems	
Conservation & Development Fund	Loans	Large water improvement projects	
Bear River Development Account	Special	Develop Bear River surface water	
<b>Community Impact Fund Board</b>			
Permanent Community Impact Fund	Grants & Loans	Schools, roads, medical, water	Division of Community Development
Disaster Relief Board Fund	Grants	County or municipal flood repair	
<b>Community Dev. Block Grants Policy Board</b>			
Community Dev. Block Grants Program	Grants	Improved living environment for small communities and counties	Division of Community Development
<b>Drinking Water Board</b>			
Financial Assistance Program	Loans	Drinking water facilities	Division of Drinking Water
<b>Water Quality Board</b>			
Wastewater Treatment Facilities	Loans	Wastewater treatment facilities	Division of Water Quality
Financial Assistance Program	Grants	Wastewater treatment facilities	
Federal Construction Grants			
<b>Utah Soil Conservation Commission</b>			
Agricultural Resource Development Loan	Loans	Improvement of cropland and non-federal rangeland	Utah Department of Agriculture
Priority Watershed Program	Grants	Watershed improvements	
<b>Board of Parks and Recreation</b>			
Land & Water Conservation Fund	50-50 Cost-sharing Grants	Swimming and boating facilities, and other recreation activities	Division of Parks and Recreation
<b>Wildlife Board</b>			
Dingle-Johnson Sport Fish Restoration Act	Grants	To restore or develop fish habitat	Division of Wildlife Resources

**TABLE 8-2  
FEDERAL FUNDING PROGRAMS**

Administering Agency	Program	Type of Funds	Purpose
<b>Department of Agriculture</b>			
Agricultural Stabilization and Conservation Service	Agricultural Conservation Program	Grants	Soil, water, and energy conservation
	Emergency Conservation Program	Grants	Rehabilitation of farmland damaged by wind, floods, or other natural disasters
Farmers Home Administration	Conservation Reserve Program	Grants	Reduce erosion and maintain wetlands
	Rural Development	Grants, Loans	Water supply and wastewater disposal
	Resource Conservation & Development	Loans	Multiple purpose water and related-land conservation and other facilities
Soil Conservation Service	Watershed Protection & Flood Prevention	Grants	Flood control, water supply, wildlife, and recreation facilities
	Resource Conservation & Development	Grants	Multiple purpose water and related-land conservation and other facilities
<b>Department of the Army</b>			
Corps of Engineers	Civil Works	Grants	Flood control, water supply, navigation, and recreation-related developments
	Continuing Authorities Program	Grants	Flood control and protection
	Emergency Activities	Grants	Flood control and protection
<b>Department of the Interior</b>			
Bureau of Reclamation	Investigations Program	Loans	Water storage/delivery, related purposes
	Loan Programs	Loans	Small multiple-purpose water developments
<b>Department of Housing and Urban Development</b>	Community Develop. Block Grant Program	Grants	Water resources planning, development
<b>Economic Development Administration</b>	Public Works and Economic Development	Grants, Loans	Water and related planning, development
<b>Fed. Emergency Management Agency</b>	Presidential Declared Disaster Flood Plain Management	Grants	Flood damage mitigation
		Grants	Acquisition of structures in flood plains

**TABLE 8-3**  
**PAST FUNDING FOR WATER-RELATED IMPROVEMENTS**  
**IN BEAR RIVER BASIN, 1948-91**

Funding Entity and/or Funding Program	Amount (\$1,000)		Time Period
	Grants	Loans	
Utah Board of Water Resources			
Revolving Construction Fund		8,031	1948-91
Cities Water Loan Fund		6,252	1976-90
Conservation & Development Fund		3,874 <sup>a</sup>	1980-88
Utah Water Quality Board	11,192	12,012 <sup>b</sup>	1984-90
Utah Board of Parks & Recreation			
Land & Water Conservation Fund	2,226		1965-90
Community Impact Fund Board			
Permanent Community Impact Fund	484	643	1985-90
Disaster Relief Board Fund	346 <sup>c</sup>		1983-86
Community Development Block Grants	1,279		1982-90
Utah Drinking Water Board		2,371	1983-90
Utah Soil Conservation Commission	83	3,307	1976-90
U.S. Department of Agriculture			
Farmers Home Admin.	2,635	6,572	1970-90
Agric. Stabiliz. & Conserv. Service	1,719		1980-90
Resource Conserv. & Develop. (SCS)	2,045		1980-90
U.S. Bureau of Reclamation	<u>4,871</u>	<u>368</u>	1980-90
Total	26,880	43,430	

<sup>a</sup> Including \$828,000 of 1991 bond funding.

<sup>b</sup> A very small portion of this amount is grants.

<sup>c</sup> Funds available from legislature only after a disaster declaration by governor.

Source: Data from agency files, obtained by letters and telephone.

Woodruff Narrows Reservoir Company, and the second by the Porcupine Reservoir Company. The smaller reservoirs are Birch Creek and Woodruff Creek in Rich County.

Other public funding for water-related facilities in the Bear River Basin has been extensive. Although the list of expenditures identified in Table 8-3 is not entirely complete, it is illustrative of the wide range and general magnitude of funding sources. It indicates that



Woodruff Narrows Reservoir - Div. of Water Resources

at least \$70 million in financial assistance has been provided by state and federal agencies in the Bear River Basin. The various funding sources in Table 8-3 cover a wide range of activities and facilities. Most of the communities throughout the basin have benefitted substantially from these expenditures.

Future funding needed in the basin for purposes identified in Tables 8-1 and 8-2 can probably be obtained under existing programs. Existing programs are available to help cities or water-use entities with immediate needs.

In contrast, the future Bear River development proposed in Section 9 is wider in

scope, covering a larger area (and areas outside the basin). It will provide for a full range of water uses, and meet needs that are more long-term than immediate. Also the cost is much greater, which would be shared by several entities and public sectors. In order to meet the special financing arrangements needed to provide the development funding and create an equitable, acceptable cost sharing formula, the 1991 General Session of the Utah Legislature enacted legislation which

appropriated \$2 million in a Bear River Development Account. The appropriation is to be used by the Division/Board of Water Resources, when released by the Legislature, to help develop the surface waters of the Bear River. The account consists of monies appropriated by the Legislature and future revenue received from the sale of water or power from authorized projects.

The division is authorized to develop the surface waters of the Bear River and its tributaries through the planning and construction of reservoirs and associated facilities as authorized

and funded by the Legislature, to own and operate the facilities constructed, and to market the developed waters.

### 8.3 COST SHARING

Cost sharing is the dividing of financial obligations and risk associated with funding a project, where concepts of up-front financing and cost recovery (or repayment) are considered. The guiding principle of cost-sharing programs is to promote economic efficiency in the use of scarce resources. This principle holds that those who benefit from a project should pay its full cost. Federal, state and local governments often choose, however,

to provide a subsidy in the form of grants, or low or no-interest loans, to encourage water conservation or quality improvements.

Funding programs listed in Tables 8-1, 8-2, and 8-3 require the sharing of up-front costs by project sponsors. Loans may be awarded for 100 percent of a project's cost only under hardship or other extreme circumstances. Grants for 100 percent of cost are not likely to be considered. Sponsors of small projects may make in-kind contributions in lieu of cash when approved by the funding agency. The portion of a project's costs to be funded by the local project sponsor is set by the agency's policy board, generally on a case-by-case basis. For loans, the interest rate and repayment period are also set by the

may be (or have been) used to cover 100 percent of the costs.

In the 1991 Bear River Development Act,<sup>2</sup> the Utah Legislature specified the basis for cost sharing in future development of the Bear River by the state (See Section 9.1.3). Table 8-4 shows the intended basis. Under the act, repayment is set at 50 years or less, and the rate is to be set by the Board of Water Resources.

#### 8.4 RECOMMENDATIONS

Sponsors of water conservation and development projects should make initial inquiries about financial assistance through appropriate local entities (such as the Bear

**TABLE 8-4**  
**COST SHARING SPECIFIED UNDER BEAR RIVER DEVELOPMENT ACT<sup>2</sup>**

Percent to be Paid by Direct Beneficiaries			
Construction and Allocated Costs	Environmental Mitigation	Operation and Maintenance	Repair and Replacement
Municipal & Industrial	100	100	100
Agriculture	25	100	100
Hydropower	100	100	100
Recreation <sup>a</sup>	0	0	0
Fish & Wildlife <sup>a</sup>	0	0	0
Flood Control <sup>a</sup>	0	0	0

<sup>a</sup>To be paid by the state.

agency's board after reviewing the sponsor's repayment ability<sup>1</sup>.

When public purposes (such as recreation, fish and wildlife, and flood control) are included as part of a multipurpose water development project, state or federal funds

River Resource Conservation and Development organization, Bear River Association of Governments, and Bear Lake Regional Commission). It is usually more effective to make initial contacts through local individuals (such as board and commission members) to obtain endorsement of the project, and coordinate funding requests with various state and federal programs.

## 8.5 REFERENCES

1. "Economics of the State Water Plan, Background Paper," Utah Division of Water Resources, January 1992.
2. Bear River Development Act, Title 73, Chapter 26, *UCA*, 1953, amended.